



Don Nickles, Chairman
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**SENATE BUDGET CHAIRMAN DON NICKLES
OPENING REMARKS (AS PREPARED)
HOUSE-SENATE CONFERENCE COMMITTEE
FY04 BUDGET RESOLUTION
APRIL 2, 2003**

Today we are meeting to begin the process of finalizing the budget resolution for 2004 and the next ten years.

I've brought with me the ceremonial gavel which Senator Domenici and others have wielded so effectively over the years at conferences like this one. It's my pleasure to give it to the Chairman of this conference, Congressman Jim Nussle.

I'm proud of my colleagues in the House and the Senate for getting us to this point. In the Senate, we considered some 32 amendments in committee and another 81 amendments on the Senate floor.

The Budget Act gives us a deadline to complete this work by April 15, and I believe we will beat that deadline.

Passing a budget is one of our most important jobs. It is critical not only that we do it, but that we do it right. Last year we didn't have a budget. The House passed one, but the Democrat leadership in the Senate didn't allow Senator Conrad to bring his budget to the floor.

As a result, we didn't get our work done. There was no spending blueprint, appropriations bills weren't completed, there was no prescription drugs benefit for Medicare, and numerous other priorities were blocked.

A recession, an attack on America, and a war have led to a dramatic and unforeseen deterioration in tax revenues, large spending increases, and the return of budget deficits. Revenues have fallen by nearly 9 percent over the last two years. Meanwhile, spending grew by 12 percent over the same period.

According to CBO, the federal government would have recorded a budget deficit in 2002 even if the 107th Congress had never enacted a single spending increase or tax cut.

These trends are neither acceptable, nor sustainable.

Neither Chairman Nussle nor I like deficits...and our committee members definitely don't like deficits. However we believe, like the President, that the only way to eliminate deficits is to grow the economy and restrain spending.

(More)

Both the House and Senate budgets invest in the economy and address critical national priorities now, while reducing federal budget deficits over time as the economy grows stronger and we address threats abroad.

Congress cannot ignore our struggling economy and the associated loss of jobs. Our response must be immediate, of significant size to impact a \$10.8 trillion economy, and create both short- and long-term incentives for economic growth.

The President has shown tremendous leadership on this issue by proposing an aggressive mix of tax relief designed to let families keep more of the money they earn, encourage investment by small businesses, and eliminate the tax-code's bias against corporate dividends.

The House supports the President's \$726 billion economic growth package. On any given day...the Senate supports a growth package somewhere between \$350 billion and \$726 billion.

The House and Senate are equal branches of a bicameral legislature. One chamber does not dictate outcomes to the other. The legislative process is all about compromise and I expect that's what we'll do.

I compliment Chairman Nussle for his aggressive approach to slowing spending growth, and for his willingness to tackle entitlements. It takes guts...and sometimes a bulletproof vest.

Everyone spends a lot of energy worrying about discretionary spending, but that's really just the tip of the iceberg. Chairman Nussle's leadership should remind us that we'll spend \$2.2 trillion next year - not just \$784 billion in discretionary spending.

We need to examine entitlements, and I hope our colleagues on the authorizing committees will take up this challenge and really focus the spotlight of reform on the programs within their jurisdictions.

We also need to restore spending discipline and enforcement. Most of the budget enforcement rules in the Senate expire on April 15.

This budget resolution will restore and strengthen budget discipline by establishing enforceable caps on discretionary spending, reinstating restrictions on advance appropriations and emergency spending, and extending the pay-as-you-go point of order.

It's vital that we get these enforcement mechanisms extended prior to the April 15 deadline because as we saw during floor debate there is no limit to the appetite for spending.

All told the spending amendments offered would have increased spending \$1.6 trillion. That's more than twice the amount we proposed investing in job creation and economic growth.

Again, I thank all my colleagues and our conferees for their willingness to work with Chairman Nussle and me to write this budget. I look forward to completing our work, and to cooperating throughout the next year to enforce it.